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Center for Education and Health  
Services Outreach  
Savitt Medical Building/150  
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**FAX TRANSMITTAL****Date:** 12/16/96

**To:** F.C.C.  
Rm 222  
1919 m. Street 202-418-2809

**From:** **Caroline Ford, M.P.H.**  
**Assistant Dean/Director**  
**Center for Education and**  
**Health Services Outreach**

**Number of Pages (including cover sheet):** 3**Comments:**

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DEC 17 1996

December 16, 1996

Federal Communications Commission  
Office of SecretaryCenter for Education and Health  
Services Outreach  
Savitt Medical Building/150  
Reno, Nevada 89557-0046  
(702) 784-4841  
FAX: (702) 784-4544

TO: FEDERAL COMMUNICATIONS COM

FROM: CAROLINE FORD, ASSISTANT DEAN/DIRECTOR  
GERALD ACKERMAN, ASSISTANT DIRECTOR  
CENTER FOR EDUCATION AND HEALTH SERVICES OUTREACH  
UNIVERSITY OF NEVADA, SCHOOL OF MEDICINE

SUBJECT: COMMENTS RE: UNIVERSAL SERVICE RECOMMENDED DECISION;  
DOCKET 96-45 RE: IMPLEMENTATION OF THE  
TELECOMMUNICATIONS ACT OF 1996

These comments are offered to the FCC from our office which represents a variety of programs which are targeted at rural and frontier populations. Our Center was initiated in 1977 as an Office of Rural Health and continues to work in service for isolated and medically underserved populations. Some of this work is advocacy for rural populations. By example, our Office of Rural Health in conjunction with the Nevada Rural Hospital Project filed an intervention on overearnings by Nevada Bell on behalf of rural ratepayers. Our case was predicated upon unequal service capabilities by rural populations to the same level of service and connectivity as urban populations. We therefore have been thrust into a significant role of understanding and sensitivity to the issues of telecommunications technology, connectivity and pricing. Additionally, our School of Medicine, through programs designed in our Center, conducts telecommunication activities in education and is in development of a Telemedicine network.

We applaud the FCC for the strong position of principles, especially number 3, which addresses access and comparable rates for rural areas.

We would like to urge the FCC to support band width service to rural communities of at least the equivalent of T-1 capability due to the cost implications and lack of availability of multiple switched lines.

We propose the elimination of LATA and InterLATA charges as cost prohibitive to rural areas and additionally request specific discussion and recommendations to states regarding "last mile costs" as a barrier to connectivity and service for the named parties (education, libraries and rural health care providers).

Since the health care section did not contain specific recommendations, we would request that the FCC require that a committee be established in each state that would define services and needs for that state as the definition of health care delivery, infrastructure and service will vary greatly. The definition of rural will vary greatly as evidenced by the Office of Technology Assessment report Health Care in Rural America, published in September 1990, will attest. Distance and density would be the main determinates that states would grapple with in relation to

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health care delivery. Each state would provide these specific recommendations to a FCC appointed task force that would meet to refine these issues for national standards and variations. Mechanisms exist to garner information through State Offices of Rural Health and other Telemedicine projects.

We have specific concerns that each state's Public Service or Utilities Commission provides an adequate forum for discussion, process and decision making which is inclusive of the consumers, facilities and businesses outside of the telecommunications industry. Requiring a state committee with input from the State Offices of Rural Health (all states have representation), would ensure an appropriate mechanism that PSCs or PUCs would comply with to address these and other issues. Many states have active volunteer interest groups already at work on issues and barriers that could be funneled into a state working committee. This committee could additionally provide a feedback loop for fiscal support of the Universal Service Fund and distribution sharing.



MAIL SECTION

9 08 AM '96

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**DON SUNDQUIST**  
GOVERNOR**TENNESSEE**  
**STATE DEPARTMENT OF EDUCATION**  
6TH FLOOR, GATEWAY PLAZA  
710 JAMES ROBERTSON PARKWAY  
NASHVILLE, TN 37243-0375**JANE WALTERS, Ph.D.**  
COMMISSIONER**To: FCC Commissioners****From: State of Tennessee, Department of Education and  
Connect Tennessee Students, Inc.****Re: Docket #CC9645**  
**Joint Board Recommendation Section #593 - #604**  
**School and library universal service comments****Date: December 12, 1996****RECEIVED****DEC 17 1996**Federal Communications Commission  
Office of Secretary

The State of Tennessee has taken a national leadership role in cooperation with the telecommunication companies to connect all of its schools to the internet. This network and its ongoing operational costs are and have been funded by state tax dollars and reduced service rates for ISDN lines and other communication services provided by our 26 regulated phone companies.

The focus of our scarce resources has been on the connection of the schools through routers and high speed direct links to the Internet. It has left many other telecommunication and technology needs for our schools unfunded.

We respectfully request that your funding formula for school and library universal service connections permit states, which have already achieved basic connectivity, to use their share of funds for further development of the network. Failure to permit this will penalize states who have moved forward, and rather than reward them, it will dampen initiatives in other potential government support areas.

In Tennessee, we have deployed a network that fully connects all schools and most public libraries to the Internet with a full, graphical connection. The schools and libraries are part of a statewide government consortia which has a hub for connection in every county. Through a project just completed in 1996, every school system is fully connected. Every school is connected using a digital line (either ISDN or 56kb) and installed equipment permits all networked computers within schools to complete the connection. There is a minimum of one computer in every school and most schools have 15 to 25 computers connected to the Internet.

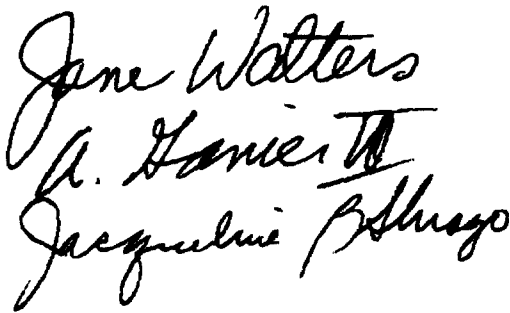
All of Tennessee's regulated telephone companies and cooperatives agreed to

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provide an ISDN or 56k line at \$30 per month requiring a total of \$60 per month to complete the connection of all networked school computers to the Internet. This is a substantial discount to the national average cost for this service. This required a State of Tennessee investment of \$5 million for school network equipment and \$25 million for the network backbone with recurring costs of \$4 million per year. This supports all 1560 schools, 50,000 teachers and 900,000 students, including hundreds of rural, isolated schools as well as urban schools with economically disadvantaged students. Every student in Tennessee's public schools has access. Tennessee's schools are in a partnership which includes state government, local school systems, telecommunication companies, and communities participating to assure access, use and ongoing operations.

In developing and deploying this plan in Tennessee, we were cautious to refund and provide pro rata funds to those school systems who had already spent technology dollars to provide Internet connections. We did not want to penalize them for early efforts at providing full and direct Internet connections before a state plan was deployed. We would hope that the U.S. Efforts through the FCC would follow a similar course and not penalize states who have already pursued a strategy for connecting their schools, when the needs to expand it.

Jane Walters, Commissioner, Department of Education, State of Tennessee  
Al Ganier, President, Connect Tennessee Students, Inc.  
Jacqueline B. Shrago, Project Director, ConnectTEN

Three handwritten signatures are stacked vertically. The top signature is 'Jane Walters' in a cursive script. The middle signature is 'Al Ganier' with a stylized 'A' and 'G'. The bottom signature is 'Jacqueline B. Shrago' in a cursive script.

**Post-It Fax Note 7672**

To **Office of the Secretary**  
 Company **Federal Communications Commission**  
 Location **Washington, DC**  
 Fax # **202-418-2812**  
 Comments

Telephone #

No. of Pages **2** Today's Date **12-16-96** Time **4:54 p.m.**  
 From **Donald S. Lake, President**  
 FCC MAIL SECTION **ADEC**  
 Location **Downey, CA** Dept. Charge  
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Office of Secretary

December 16, 1996



**ALLIANCE FOR  
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EDUCATION IN  
CALIFORNIA**

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**TEAMS/LACOE**

**VICE PRESIDENT**  
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**SUMMIT VIII**  
**PLANNING**  
**Dr. John Ittelson**  
**CSU, Monterey Bay**

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**Monterey COE**

MEMBERS AT LARGE

Office of the Secretary  
 Federal Communications Commission  
 1919 M Street, NW, Room 222  
 Washington, DC 20554

Comments on Common Carrier Docket No. 96 45. In the Matter of the Federal-State Joint Board Universal Service Recommended Decision.

The Alliance for Distance Education in California (ADEC) is a nonprofit organization which supports distance education in California. ADEC members include librarians, administrators, researchers, and instructors from Kindergarten through higher education who share the goal of improving technology use in education. As president of ADEC, I submit this original and 11 copies of ADEC's comments on the Commission's request for further information to implement the recommended decision of the Joint Federal-State Board on the universal service requirements of the Telecommunications Act of 1996.

### Competitively Neutral Rules

The Joint Board recommends competitively neutral FCC rules in paragraph 484 of their report for "schools and libraries to secure internal connections" and in paragraph 476 "to enhance access to advanced telecommunications and information services for all public and nonprofit elementary and secondary classrooms...and libraries." Paragraph 543 recommends the geographic service area of a service provider "to mean the area in which the service provider is seeking to serve customers, e.g., the telephone or cable company's franchise area and a wireless company's serving area" and paragraph 544 states "there is no reason to exclude carriers who do not provide core services, if they can offer eligible services to a school or library at the lowest rate." ADEC recommends that the FCC's competitively neutral rules require all companies—including telephone companies, cable television companies, direct broadcast satellite companies, local multipoint distribution service companies, and wireless telecommunications service companies—that could provide telecommunications services and Internet access services to schools or libraries to contribute a percentage to be determined by the FCC of their gross income to the federal universal service fund and a percentage of their gross income to be determined by state public utility commissions to the state universal service funds in all state in which they operate. Implementation of the federal universal service fund disbursements should not be delayed by a later timeframe required to implement state universal service fund regulations. When a service provider operates in more than one state, the Joint Board should establish the maximum percentage of gross revenues to be allocated among the relevant state

Commission adopt for a period of five years the Joint Board's recommendation in paragraph 560 for determining high cost areas by comparing the unseparated loop costs of the incumbent local exchange carrier to a nationwide threshold. Then, ADEC recommends that the Commission and the Joint Board, as part of its year 2001 review, should revisit this issue to determine whether this reference level should be modified to better determine high cost service areas.

#### **Discount Eligibility Levels**

ADEC agrees with the Joint Board's paragraph 568 recommendation that the five Department of Education categories of school eligibility for the national school lunch program be used to determine the level of discount for which public or non-public schools are eligible, even though they may not participate in the school lunch program. Also, ADEC agrees with the Joint Board's paragraph 568 recommendation that library discount level eligibility be determined by the level of economically disadvantaged students of the school district in which the library is located. If a local school district has not yet applied for universal service discounts and therefore has not computed the school district eligibility level, the library should be eligible for at least a 20% discount until the school district eligibility level is set.

#### **Conclusion**

ADEC is an organization whose members provide distance education throughout the state of California, so ADEC supports the Joint Board's recommendation of rapid universal service rates implementation, incorporating the above recommendations, in time for the 1997-98 school year. ADEC also supports another review by the Joint Board in the year 2001 of how these universal service rates have assisted educators, libraries, and health care providers in their educational missions and how the universal service rules can be improved to support these entities' educational activities.

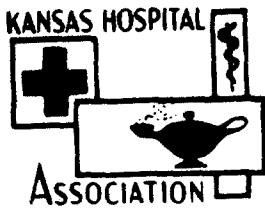
Sincerely,



Donald S. Lake, President

Alliance for Distance Education in California

cc: Federal State Joint Board  
International Transcription Service  
Extra Public Copy (2 copies)  
Diskette to Sheryl Todd, Common Carrier Bureau, Room 8611



**Donald A. Wilson**  
President

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December 12, 1996

Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: CC Docket No. 96-45

Dear Sir/Madam:

Thank you for allowing the Kansas Hospital Association to comment on CC Docket No. 96-45. While the implications for health care providers are not the main thrust of the 1996 Telecommunications Act, there are several provisions which affect hospitals and other providers in Kansas directly. Our comments are directed only at those sections and provisions.

The KHA convened a small group of experts and interested persons from our hospitals to discuss the questions raised by the FCC. Those persons represented both urban and rural, as well as the very small to the very large institutions. A list of participants is enclosed with this letter for your information. The comments enclosed represent a consensus of this group.

Again, thank you for the opportunity to participate. If we can be of any further assistance, please don't hesitate to call on us.

Sincerely,

Donald A. Wilson  
President

Enclosures

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**Kansas Hospital Association  
Comment on Universal Service Recommended Decision  
FCC Docket 96-45**

**Topic No. 4: Health Care**

There were several questions specified in the Public Notice distributed by the FCC related to health care. Those questions are enumerated below and followed by our comments. In addition, we have also submitted comments on the definition of eligible health care provider.

- 1. What is the exact scope of services that should be included in the list of additional services "necessary for the provision of health care" in a state?**

The Kansas Hospital Association supports the defined scope of services identified by the Advisory Committee on Telecommunications and Health Care established by the FCC in the summer of 1996. These services, we believe, are necessary for the provision of health care in Kansas and include: provider to provider consultation, provider to patient consultation, continuing medical education for physicians and other providers, internet access to medical information, 24-hr. support from urban centers, specialty services (radiology, dermatology, cardiology, pathology, obstetrics, pediatrics, psychology), along with high-speed data and high-quality image transmission.

We would, however, urge the FCC to add home care to this list. This is a service which is critical in rural areas and must, in order to be efficiently provided, take advantage of telecommunications technology. Rural areas in particular have difficulty delivering critical home care services where the distance to each client has a direct impact on the number of clients that can be served and the cost of each visit. In Kansas, we are experimenting with provider to patient consultation in the home in an effort to provide services where they were previously unavailable or too costly for the patient to access. The "recommended decision" did not accept this suggestion. We believe strongly that home care should be reconsidered as a "necessary service" and therefore eligible for universal service support.

Another point we would like to make relates to the concept of 24-hour or round-the-clock support from an urban center. In Kansas, as in many other states, this type of support is provided by a rural referral center or another neighboring rural hospital. Urban centers are often too far away to provide the basic kind of support needed by our smaller rural hospitals. In these instances, the rural referral center or neighboring facility is providing physician support to a mid-level practitioner or is actually "sharing" physician coverage. In many situations, this communication is in preparation for a patient that requires transfer to the supporting facility. We would ask that rural to rural support be recognized in the

concept of a necessary service. Also, just as a point of clarification, "support" is clinical support as well as pure technical support for the trouble shooting necessary to keep the service provided by the technology available.

**2. What would be the relative costs and benefits of supporting technologies and services that require a bandwidth higher than 1.544 Mbps?**

On this point, Kansas agrees completely with the recommendation of the Advisory Committee. The relative costs, we believe, would be higher than the benefits of supporting bandwidths higher than 1.544 Mbps through universal service provisions. Kansas, as in many other states, has a long way to go to make even partial T-1 available to all the providers covered under the definition. We would encourage the FCC to focus on bringing the areas with minimal or no service up to the level where the technology can be implemented. Our experts agree that 384 kbps is minimal for use of interactive video technology, and many of our hospitals do not have this level of access. If a higher bandwidth is supported, our concern is that the opportunity cost will be that areas needing low end access will suffer at the expense of the high-end users.

**3. How rapidly is local access to Internet Service Providers expanding in rural areas of the country, and what are the costs likely to be incurred in providing toll-free access for health care providers?**

Access to the Internet by health care providers in rural Kansas is highly varied. Large band-width access (T) or fractions thereof is confined primarily to the larger communities, often those with a community college or other state or private educational institutions. This encompasses approximately one-third of the communities with hospitals. Digital telephone service companies serving significant portions of rural Kansas have little economic incentive to upgrade their equipment to provide ISDN-level service. Local telephone number Internet access with no distance charges at 14.4 or 28.8 bps is widely available to both individuals and public and private organizations.

**4. What are the probable costs that would be incurred in eliminating distance-based charges and/or charges on traffic between LATAs (interLATA) where such charges are in excess of those paid by customers in the nearest urban areas of the state?**

Distance-based charges are a critical issue in Kansas. For example, in Hays, Kansas access to an ISDN line in Topeka, 200 miles east and the nearest POP available, adds 40% to the basic bill for distance-based charges. As you can see,

most community hospitals in rural Kansas must pay extreme charges to access these technologies at such great distances. Neglecting this area in the concept of universal service will minimize the positive effects of supporting rural health care providers. We recommend that the FCC include reducing and ultimately eliminating distance-base charges as a priority in the universal service provisions.

**5. What costs (advantages and disadvantages) would be incurred in supporting upgrades to the public-switched network necessary to provide services to rural health care providers? (Are current upgrades going to make universal service support of these efforts unnecessary?)**

In the 1996 legislative session, the Kansas Legislature passed a bill defining enhanced universal service which included many provisions to require the deployment of technologies we hope will result in the necessary upgrades to the public-switched network. This is, however, a huge undertaking which will require a tremendous investment of time and resources. We would encourage the FCC to assist states who have taken the initiative to coordinate and support this effort.

**6. Eligible health care providers covered by universal service through the 1996 Telecommunications Act.**

While this is not a question posed in the Public Notice, the definition of eligible provider is one that the Kansas Hospital Association feels needs to be reconsidered. We suggest that two areas be expanded.

First, as discussed above in question 1, we believe strongly that excluding home care providers is a serious problem. In many areas, rather than duplicating services, multi-county home care providers have been established. These free-standing agencies provide the efficiencies necessary to deliver services in the sparsely populated portions of our state. To exclude them from the critical access to telecommunications, we believe, is a tremendous oversight. The Kansas Hospital Association again encourages the FCC to include rural home care providers as eligible providers for universal service support of the technology to allow cost effective provision of service to isolated populations.

Second, Urban Centers, especially the medical schools and hospital medical centers, should be included in the universal service provision for two primary reasons. First, they are the underlying source of the educational network for physicians and certainly provide the access to specialty consultation that is not available to rural areas through any other means. Second, the urban hospitals have assumed a disproportionate share of the cost of providing technology-based services to rural hospitals and providers. They have done this in an effort to make the services affordable to rural Kansans. Much of the infrastructure investment, as well as the premise equipment, has been financially and technically supported by

these urban facilities. Without their continued support, much of the effort to improve access will be for naught. We urge the FCC to include urban medical schools and medical centers as eligible providers.

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CC 96-45

DEC 17 1996

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3005 Oregon Knolls Drive, N.W.  
Washington, D.C. 20015-2211  
December 12, 1996

Honorable Reed E. Hundt  
Chairman  
Federal Communications Commission  
1919 M Street, N.W. - Room 814  
Washington, DC 20554

Dear Chairman Hunt:

I am writing to you in connection with the FCC's potential rulemaking concerning the connection of schools and libraries to the Internet by telecommunications companies.

Initially, let me note that I do not hold any securities of any telecommunications company (although mutual funds in which I have invested may own some telecommunications company securities). I am not employed by, do not represent, or have a business relationship with, any telecommunications company. I am simply a member of the public whose personal and professional interests lead me to have more than a passing knowledge concerning the Internet, and a citizen with an ever-increasing sense of concern over the manner in which the Federal government manages our public finance.

I would like to make three points to you:

First, I would like to express the strongest possible objections, on general public policy grounds, to the recommendation by federal and state regulators that telephone companies be required to pay the costs of the program to connect public and private schools and libraries to the Internet, and to the reported intention of the FCC to implement that recommendation by rulemaking.

In blunt terms, this proposal is simply an enormous government mandated cross-subsidy. Public finance in the United States is riddled with cases in which politicians, in the name of doing good and having programs for which they can take credit, require significant cross subsidies. Some of these may be justified (such as some level of subsidy between generations in the case of Social Security). However, in the main, if public finance were conducted in such a way that those who receive a good or service were required out of their own choice to pay for it in full, society would be better and more freely ordered. That should be the universal initial assumption and default principle.

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Honorable Reed E. Hundt  
December 12, 1996  
Page 2

There is no such thing as a free lunch, as you very well know. When you reallocate resources to this high-sounding program by governmental fiat, you take them from someone else and the telecommunications companies will simply reallocate their charges, increasing their charges to others.

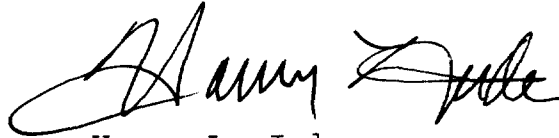
Second, I do not believe that a more inclusive group of private industries -- telecommunications, computer manufacturers, software companies, etc. -- should be required to engage in this cross-subsidy. I suggest that this is a public policy issue of cardinal importance and increasing applicability. In an era of badly needed government down-sizing (as President Clinton famously stated, "The era of big government is over"), we accomplish nothing except distortion of our economy and reduction of our liberties if the government simply imposes the cost of the functions it has supposedly shed on private industry and others by means of another class of unfunded mandates. This is true in the case of existing programs like social welfare and it is even more true in the case of new programs. In the final analysis, if the schools and libraries really want this program, the program should be offered to them at rates that recapture the investment of the provider and provide a fair return to the provider's shareholders. Then, the schools and libraries either sign up for various levels of service or they do not. If the school and libraries do not request the service in sufficient volume, the provider takes a loss, redesigns the service to make it more attractive, or engages in whatever actions it determines to be an appropriate market response.

Third, I wish to express objection to the specific aspect of this proposed program that would redirect resources for the benefit of private schools. I see absolutely no reason why I should pay higher telephone charges in order that private schools, and in particular religious schools, should receive a benefit at the hands of the government. I suggest to you that this aspect of the proposal implicates important First Amendment principles in a way that is inconsistent with our traditions of separation of church and state.

Honorable Reed E. Hundt  
December 12, 1996  
Page 3

I emphasize, once again, this letter is written solely out of a sense of personal concern as a citizen and is in no way solicited by any person or company. We are headed in a profoundly wrong direction and are doing the kind of thing which caused voters to stay away from the polls in droves at the last elections. The proposal is the essence of big government and should be repudiated on basic principles.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Henry L. Judy", with a long, sweeping underline that extends downwards and to the right.

Henry L. Judy

cc: Mr. Raymond W. Smith  
Chairman  
Bell Atlantic Corp.  
1310 N. Courthouse Road  
Arlington, Virginia 22201